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**U.S. TRADE REPRESENTATIVE DESIGNATES THREE
NEW DUTY-FREE ZONES IN JORDAN AND ISRAEL**

United States Trade Representative Charlene Barshefsky designated the Al-Kerak Industrial Estate, Ad-Dulayl Industrial Park, and Al-Tajamouat Industrial City as three additional "qualifying industrial zones" (QIZ) from which goods can enter the United States duty-free. The American embassies in Amman, Jordan and Tel Aviv, Israel notified the Jordanian and Israeli governments of Ambassador Barshefsky's decision on October 8. Ambassador Barshefsky informed visiting Jordanian King Abdallah of the designations as well during her meeting with him on October 8.

"With each qualifying industrial zone," said Ambassador Barshefsky, "Jordan and Israel are demonstrating that as common interests grow and economic cooperation develops, peace can be strengthened."

Ambassador Barshefsky explained that designation of the three new QIZs fulfils a promise made last year, "that in time we would see more qualifying industrial zones, more economic cooperation, more jobs and more prosperity in the Middle East."

Israel and Jordan already have two QIZs established: Gateway and Irbid. Development of Gateway, designated as a QIZ in May of this year, is expected to be completed early in the year 2,000 with eight companies, employing 3,000-4,000 people. Irbid, the first QIZ designated in 1998, has been expanded from its current 104 acres to over 200 acres and is expected to employ up to 10,000 when the second phase of its expansion is completed in 2000. Eighteen new companies have reserved space in the expansion, joining the fifty companies already operating at Irbid.

Joining the ranks will be Al-Kerak, a government-owned industrial estate which will be ready for occupancy by the end of 1999; Ad-Dulayl, a privately owned industrial park run by the Middle East

Agricultural and Trading Company (MEATCO) which is ready for rapid development by light, medium, and large industries; and Al-Tajamouat, a privately owned industrial park within which over twenty factories currently operate.

Legislation passed by the Congress in October 1996 authorized the President to proclaim elimination of duties on articles produced in the West Bank, Gaza Strip and qualifying industrial zones in Israel and Jordan and Israel and Egypt. In November 1996, President Clinton issued a proclamation which provided duty-free treatment to products of the West Bank and Gaza and delegated the authority to designate qualifying industrial zones to the USTR.

The Irbid industrial park, designated by Ambassador Barshefsky on March 6, 1998, was the first qualifying industrial zone and laid the groundwork for future designations. The first QIZ agreement created a Joint Committee to identify businesses located within the zone that involve substantial economic cooperation between Israel and Jordan. Goods processed in the zone by businesses identified by the Committee are eligible for duty-free entry into the United States if they meet the requirements of the legislation and proclamation. The legislation requires articles to be produced in the zone and specifies that value added in the zone, Israel, the West Bank and Gaza Strip must be no less than 35 percent of the total value of the product. An Israeli Customs Station located at the Sheikh Hussein Bridge between Israel and Jordan is part of the Irbid zone and monitors the flow of inputs from Israel to the Industrial Parks in Irbid, Gateway and now the three additional QIZs: Al-Kerak Industrial Estate, Ad-Dulayl Industrial Park, and Al-Tajamouat Industrial City.